Global Tourism Watch 2010

Australia - Summary Report

Canada

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1. Research Objectives

Driven by the launch of a new global brand and ongoing challenges in Canada's priority markets, the Canadian Tourism Commission initiated a Global Tourism Watch (GTW) program in 2007 to expand the consumer-based intelligence in its key markets. The overall objectives of the GTW study are:

- To monitor awareness, travel intentions and other key market indicators for Canada and the regions;
- To assess perceptions of Canada and track brand performance over time;
- To identify the general experiences sought by travellers, assess Canada's competitive positioning on key products and identify growth opportunities;
- To identify motivators and barriers for travel to Canada, as well as media sources and images that lift Canada's appeal.

2. Methodology

The target population for the online survey was residents aged 18 and older, who had taken a pleasure trip where they stayed at least four nights paid in accommodation in the past three years, or who plan to take such a trip in the next two years.

Pleasure trips included vacation or holiday trips, trips to visit friends and relatives, and combined business-pleasure trips. In Australia, the target national sample was n=1,500 long-haul pleasure travellers, with a quota of 200-300 for recent travellers to Canada in the past three years, with the survey conducted in April 2010.

3. Market Health & Outlook

Based on the travel patterns in the past three years or plans to travel in the next two years, the incidence of Australia long-haul international travel is 50%, translating into a total market potential of 8.3 million. The immediate potential -those that will definitely or very likely visit Canada in the next two years - is 24% or two million travellers. Exhibit 3.1 shows the regional preference, with strong immediate potential for British Columbia and Ontario.

Exhibit 3.1 Size of the immediate potential long-haul pleasure travel market

	CDA	BC	AB	ON	YK	NT
Immediate Interest[1]	24%	91%	58%	82%	23%	18%
Potential (M)	2.0	1.8	1.2	1.6	0.5	0.4

Base: Long-haul pleasure travellers (n=1,516).
[1]Base for percentages is those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there (n=770).
Note: Regional estimates are not additive since travellers may visit more than one region in a single trip.

The importance placed on long-haul travel by Australian travellers remained relatively stable, dipping marginally in 2010 (89%) from 90% in 2009, returning to 2007 levels.

4. Unaided Destination Awareness

To measure Canada's brand awareness, respondents were asked about their top-of-mind destinations for a long-haul vacation. Likely spurred by the 2010 Winter Olympics strong unaided awareness for Canada was reported among Australian travellers, narrowing its gap behind the UK and gaining three percentage points over 2009.

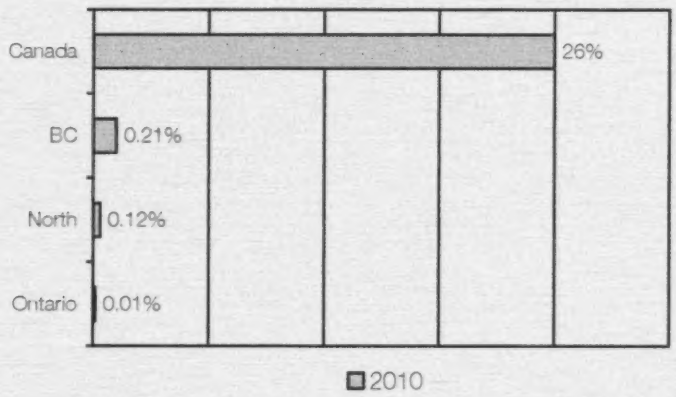
Exhibit 4.1 Unaided Destination Awareness

	2007	2008	2009	2010
1. US	43%	43%	45%	43%
2. UK	37%	32%	28%	29%
3. Canada	25%	21%	23%	26%
4. China	18%	17%	16%	16%
5. Thailand	12%	15%	16%	16%

Q. In general what destinations come to mind for a long-haul holiday outside of [L-H definition]?
Base: Long-haul pleasure travellers (n=1,516).

As illustrated in Exhibit 4.2, as a general rule, Canada's regions do not have top-of-mind awareness in Australia.

Exhibit 4.2 Unaided AWARENESS OF Canada's regions

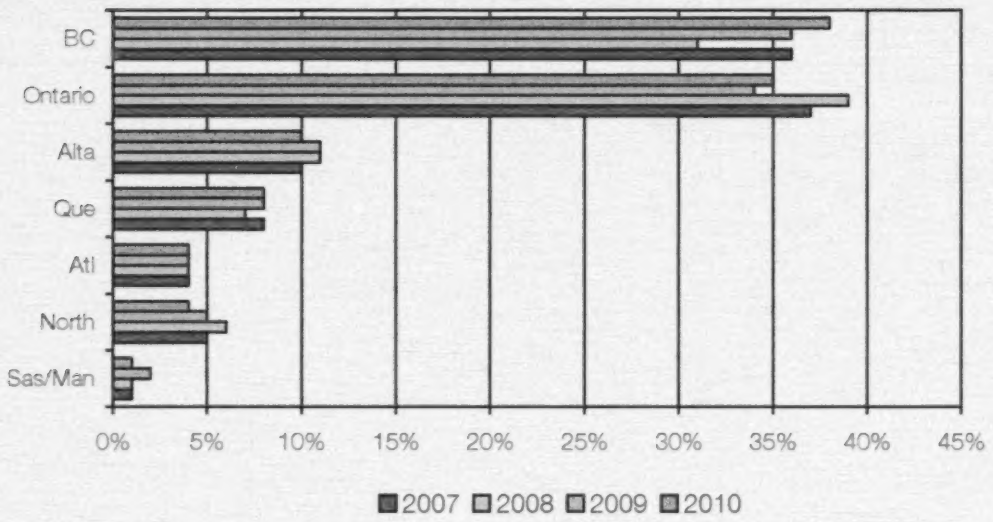


Base: Long-haul pleasure travellers (n=1,516).
Note: Only GTW region partners are included.

Australia was one of the few GTW international markets to post steady economic growth in 2010. This stability is also reflected in an upswing in travel intentions. Overall, 24% indicated that they are definitely or very likely to visit Canada in the next two years for a trip of four or more nights. This is an improvement of four percentage points from 2009 (20%).

- Travel intentions for those that will definitely or very likely take a trip of one to three nights, are at 19% in 2010, up from 16% in 2009;
- This reflects a growing interest in short-break travel that could be add-ons to US travel.

Exhibit 4.3 Canadian Destination Likely to Visit



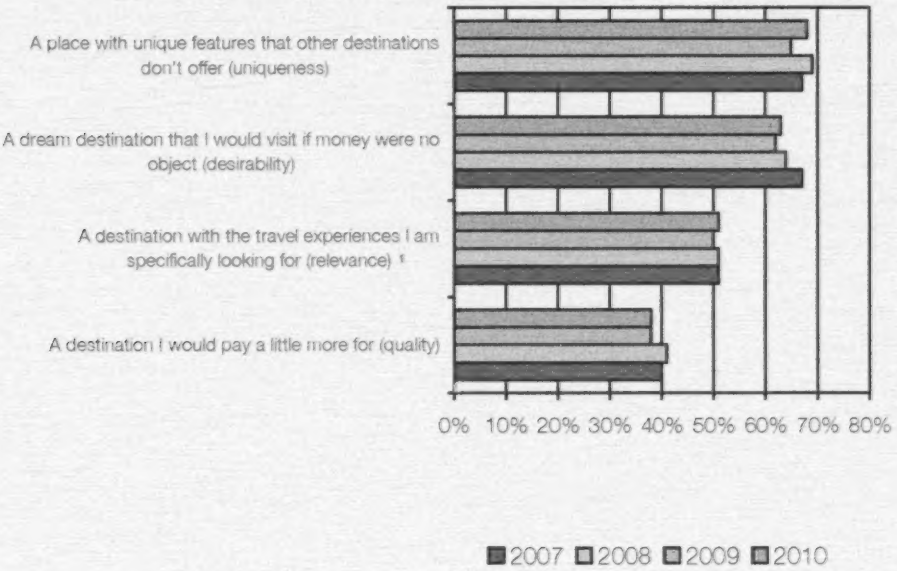
Base: Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there.

For the second consecutive year, British Columbia edged Ontario out as the most popular Canadian destination for Australian visitors. This year, it reported a new all-time high (38%) of being the destination most likely to visit for Australians.

5. Canada's Value & Price Perception

Canada's success as a travel destination cannot be measured only by the degree to which its brand has established itself. It is important for Brand Canada to be perceived as offering value at a good price.

Exhibit 5.1 Value Perceptions

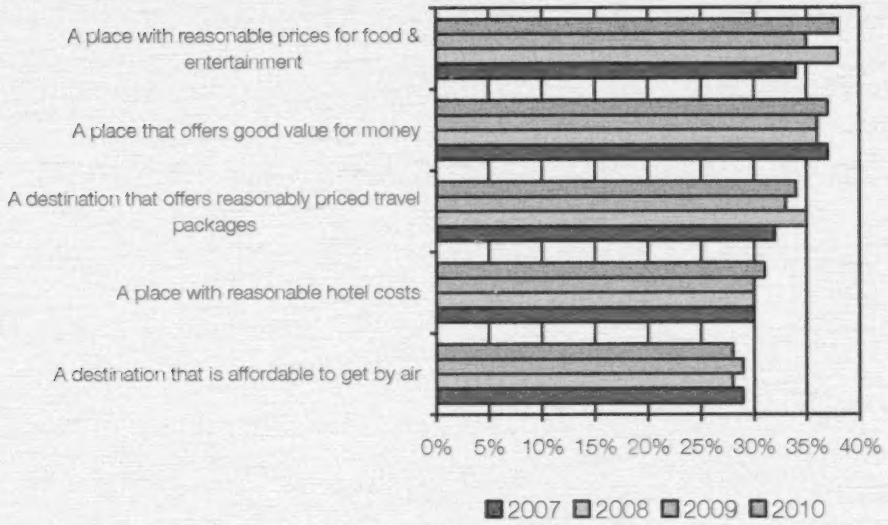

A place with unique features that other destinations don't offer (uniqueness)
A dream destination that I would visit if money were no object (desirability)
A destination with the travel experiences I am specifically looking for (relevance) 1
A destination I would pay a little more for (quality)
0% 10% 20% 30% 40% 50% 60% 70% 80%
2007 2008 2009 2010

Base: Long-haul pleasure travellers.
Notes: Top 2 Box refers to a rating of 4 or 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".
[1]Item not comparable in 2007.

Exhibit 5.1 shows a rebound in value perceptions, with overall perceptions returning to just below 2008 levels. Economic growth, along with a strengthening Australian dollar, has made long-haul travel increasingly popular and improved the perception of Canada's uniqueness, desirability and relevance.

Cost also plays a major role when it comes to travel destination decision-making. Exhibit 5.2 shows how Canada is perceived by Australian travellers on various travel cost components.

Exhibit 5.2 Price Perceptions


A place with reasonable prices for food & entertainment
A place that offers good value for money
A destination that offers reasonably priced travel packages
A place with reasonable hotel costs
A destination that is affordable to get by air
0% 5% 10% 15% 20% 25% 30% 35% 40%
2007 2008 2009 2010

Base: Long-haul pleasure travellers.
Note: Top 2 Box refers to a rating of 4 or 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".

Australian price perceptions of Canada as a travel destination have reported overall gains in 2010. Improvements have in part been driven by an appreciation of the Australian dollar against the Canadian dollar of 13.8% in Q1 2010 and a further 2.3% and 2.9% in Q2 and Q3 over the same quarters in 2009.

Airfare affordability was the only price perception to deteriorate in 2010, highlighting the importance of continuing to promote affordable travel options to potential Australian visitors.

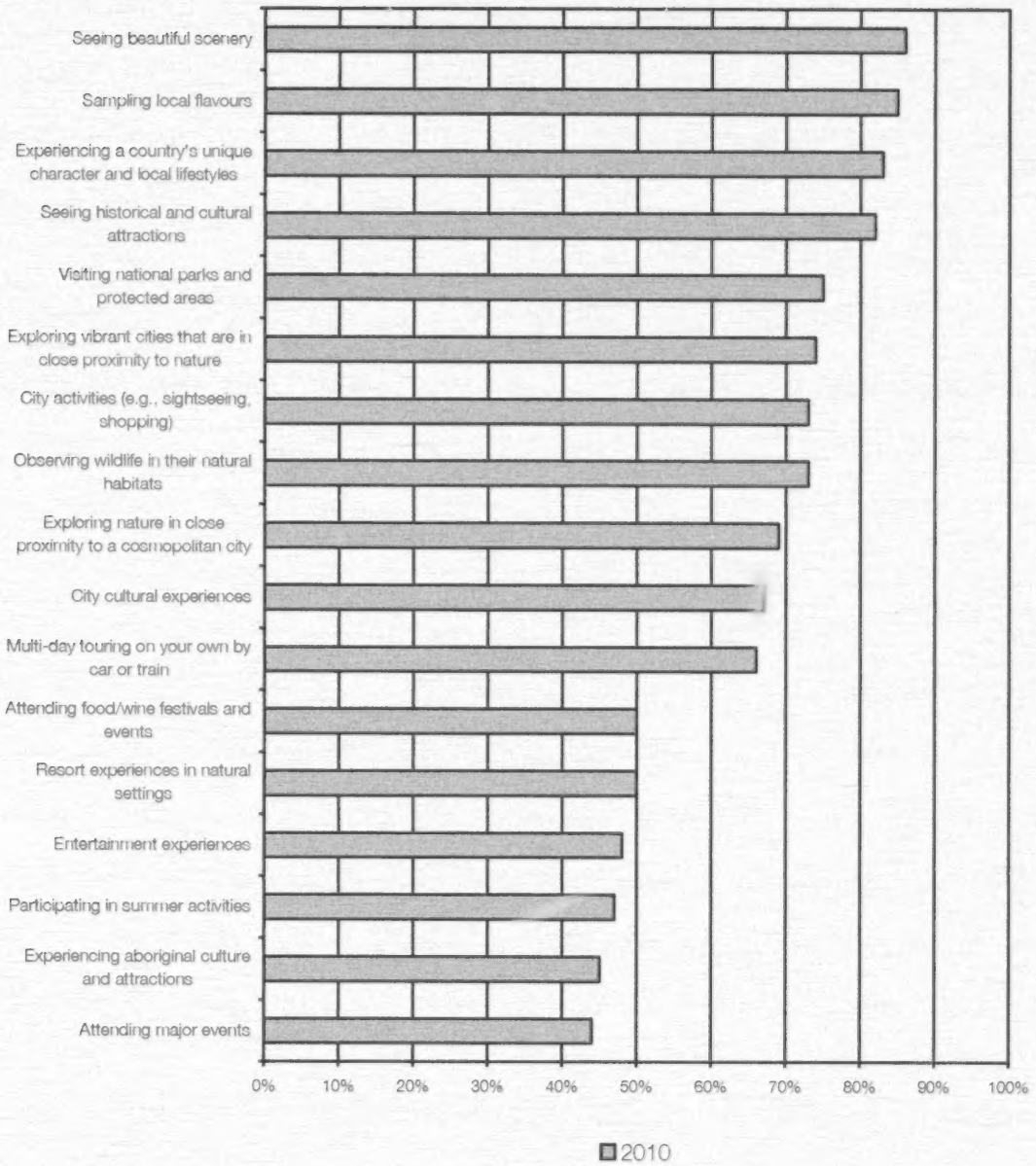
6. Product Interest

In general, Australian travellers enjoy exploring new cultures when they travel, with sampling local flavours, experiencing local lifestyles and seeing historical and cultural attractions appealing to more than 80% of those surveyed. This year, seeing beautiful scenery became the No. 1 tourism product of interest for Australians, with Canada being reported as the leading long-haul destination for this experience.

City and nature experiences make up the second tier of most popular vacation products. Also, there is a reported strong interest in visiting national parks (75%), vibrant cities in close proximity to nature (74%), observing wildlife (73%) and city actives (73%).

Worth noting is that Australian visitors far prefer independent travel (66%) as opposed to guided tours (37%).

Exhibit 6.1 Product Interests



Base: Long-haul pleasure travellers.
Note: Top 2 Box refers to a rating of always or often important on a 4-point importance scale.

7. Competitive Product Positioning

Exhibit 7.1 highlights Canada's nine first-place product scores, showing a fairly strong product positioning in Australia. Canada continues to hold a commanding lead in winter and ski vacations, along with seeing beautiful scenery. It also holds a strong lead in exploring nature in close proximity to a cosmopolitan city and in visiting cities close to nature. However, there is room for improvement in regards to seeing historical and cultural attractions and sampling local flavours, two products that are seen as very important to potential Australian visitors but as a weakness for Canada.

Exhibit 7.1 Competitive Positioning

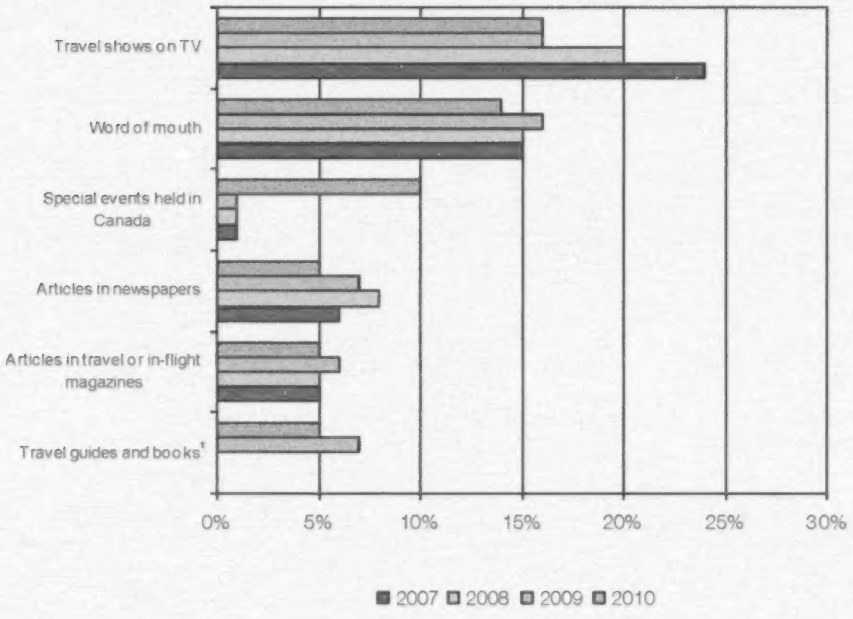
	1	2	3	4	5	6	7
Participating in other winter activities	**CAN**	USA	FR	ITA	UK	CHN	THA
Ski and snowboard vacations	**CAN**	USA	FR	ITA	UK	CHN	THA
Seeing beautiful scenery	**CAN**	USA	ITA	THA	CHN	FR	UK
Visiting national parks and protected areas	**CAN**	USA	UK	THA	CHN	FR	ITA
Observing wildlife in their natural habitats	**CAN**	USA	THA	CHN	UK	ITA	FRA
Water-based journeys of one or more nights	**CAN**	USA	THA	UK	ITA	FRA	CHN
Exploring nature in close proximity to a cosmopolitan city	**CAN**	USA	THA	FRA	ITA	UK	CHN
Exploring vibrant cities that are in close proximity to nature	**CAN**	USA	THA	ITA	FRA	CHN	UK
Land-based journeys of one or more nights	**CAN**	USA	UK	FRA	ITA	THA	CHN
Resort experiences in natural settings	USA	**CAN**	THA	UK	FRA	ITA	CHN
Participating in summer activities	USA	**CAN**	FRA	ITA	UK	THA	CHN
Experiencing aboriginal culture and attractions	THA	**CAN**	CHN	USA	UK	ITA	FRA
Multi-day touring on your own by car or train	UK	USA	**CAN**	FRA	ITA	THA	CHN
Attending major events	USA	UK	**CAN**	FRA	ITA	CHN	THA
Entertainment experiences	USA	UK	FRA	**CAN**	THA	ITA	CHN
Experiencing a country's unique character and local lifestyles	THA	ITA	FRA	CHN	**CAN**	UK	USA
Attending food/wine festivals and events	FRA	ITA	UK	USA	**CAN**	THA	CHN
Multi-day guided group tours by bus or train	CHN	ITA	FRA	UK	USA	**CAN**	THA
City activities (e.g., sightseeing, shopping)	USA	FRA	UK	ITA	THA	**CAN**	CHN
City cultural experiences	FRA	UK	ITA	USA	CHN	**CAN**	THA
Sampling local flavours	ITA	FRA	THA	CHN	UK	**CAN**	USA
Seeing historical and cultural attractions	ITA	UK	FRA	CHN	USA	THA	**CAN**
Participating in culinary learning experiences	FRA	ITA	THA	CHN	USA	UK	**CAN**

Base: Long-haul pleasure travellers (n=1,516).
Notes: Figures represent the percentage of respondents choosing the destination among the top 3 places to go for each attribute.
Legend: CAN = Canada, USA = United States, UK = United Kingdom, FRA = France, CHN = China, THA = Thailand, ITA = Italy.

8. Sources of Information for Increasing Canada's Appeal

While travel TV shows and word of mouth continue to be the most effective means of influencing travel to Canada, there was a dramatic nine-point jump in special events as a key influencer for this market. This jump is most likely linked to the hosting of the 2010 Winter Olympic Games.

Exhibit 8.1 Top sources of information

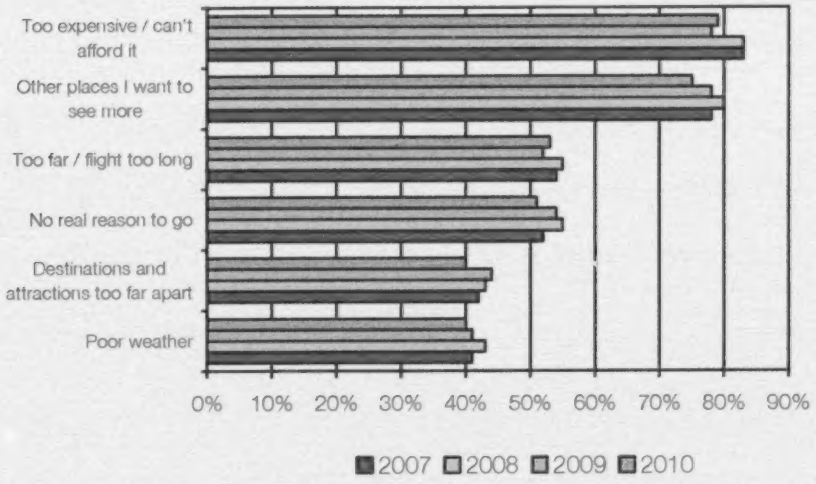


Base: Long-haul pleasure travellers.
[1]Item changed in 2009.

9. Key Barriers for Travel to Canada

It's important to know barriers to travel to Canada, as these concerns of those interested in visiting Canada could lead them to select alternative destinations. Affordability and competitive destinations continue to be the two most noted barriers for travel to Canada at 79% and 75% respectively. A long flight and having no pressing reason to go are also seeing as deterrents for Australians planning a trip to Canada. However, there was a notable four-point decline in 2010 in vast geographic distances being seen as a travel barrier.

Exhibit 9.1 Key Barriers for Visiting Canada



Base: Long-haul pleasure travellers who are likely to visit Canada in the near future.
Notes: Percentage is the sum of major barrier and minor barrier responses.

10. Conclusions: Key Take-Aways

Australia reported a steady growth in inbound travel to Canada in 2010, up 13.9% year-to-date December:

- While Australia represents one of Canada's smaller potential long-haul travel markets at 8.3 million among CTC's target markets, there was a notable four-point increase in the number of Australians with an immediate interest to visit Canada. This signals an excellent opportunity to capitalize on;
- A favourable economic environment and a strengthening currency has made long-haul travel more attainable to many Australian's with reported improvements in the perception of Canada as a unique and desirable travel destination;
- Overall, Canada was seen as a more affordable travel destination in 2010, however, there was a slight decline in the perception of Canada offering affordable airfare packages;
- British Columbia has posted notable growth in popularity in 2010, with 91% of Australian travellers who said they were very likely or definitely going to visit Canada in the next two years, considering BC as their travel destination;
- In 2010, Canada reported a significant improvement in its third place standing for unaided awareness, up three points over 2009. This is a notable gain that closes the the gap between the UK (29%) in second place and Canada (26%);
- Largely linked to the hosting of the 2010 Winter Olympic Games, special events held in Canada went from 15th to the third top source of information for increasing Canada's appeal;
- There is a growing opportunity to build on Australian's awareness of Canada's strong product set relating to exploring vibrant cities in close proximity to nature and exploring nature close to cosmopolitan cities. Despite being a leader for both of these products, Australian's overall interest is far greater than their awareness of Canada offerings;
- Australian travellers have a keen interest in experiencing new cultures by visiting historical and cultural attractions along with sampling local flavours. Unfortunately there is a lack of awareness of these types of experiences in Canada; this gap undermines Canada's ability to capitalize on this opportunity;
- Canada should address key barriers for travel by highlighting unique and distinctly Canadian experiences that are affordable and easy-to-get-to.